Revision: HCFA-PM-   (MB)

State/Territory: _____Michigan_____

Citation

1927(g)   4.26 Drug Utilization Review Program
42 CFR 456.700

                         A.1. The Medicaid agency meets the requirements of
                               Section 1927(g) of the Act for a drug use
                               review (DUR) program for outpatient drug
                               claims.

1927(g)(1)(A)   2. The DUR program assures that prescriptions
                               for outpatient drugs are:

                               -Appropriate
                               -Medically necessary
                               -Are not likely to result in adverse medical
                                results

1927(g)(1)(a)
42 CFR 456.705(b) and
456.709(b)   B.   The DUR program is designed to educate
                               physicians and pharmacists to identify and
                               reduce the frequency of patterns of fraud,
                               abuse, gross overuse, or inappropriate or
                               medically unnecessary care among physicians,
                               pharmacists, and patients or associated with
                               specific drugs as well as:

                               -Potential and actual adverse drug
                                reactions
                               -Therapeutic appropriateness
                               -Overutilization and underutilization
                               -Appropriate use of generic products
                               -Therapeutic duplication
                               -Drug disease contraindications
                               -Drug-drug interactions
                               -Incorrect drug dosage or duration of drug
                                treatment
                               -Drug-allergy interactions
                               -Clinical abuse/misuse

1927(g)(1)(B)
42 CFR 456.703
(d)and(f)   C.   The DUR program shall assess data use against
                               predetermined standards whose source
                               materials for their development are
                               consistent with peer-reviewed medical
                               literature which has been critically reviewed
                               by unbiased independent experts and the
                               following compendia:

                               -American Hospital Formulary Service Drug
                                Information
                               -United States Pharmacopeia-Drug
                                Information
                               -American Medical Association Drug
                                Evaluations

TN No. _93-028_
Supersedes   Approval Date _12/3/93_   Effective Date _10-01-93_
TN No. _92-25_

Revision: HCFA-PM-   (MB)

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Citation

1927(g)(1)(D)
42 CFR 456.703(b)

D. DUR is not required for drugs dispensed to residents of nursing facilities that are in compliance with drug regimen review procedures set forth in 42 CFR 483.60. The State has never-the-less chosen to include nursing home drugs in:

___ Prospective DUR
_X_ Retrospective DUR.

1927(g)(2)(A)
42 CFR 456.705(b)

E.1. The DUR program includes prospective review of drug therapy at the point of sale or point of distribution before each prescription is filled or delivered to the Medicaid recipient.

1927(g)(2)(A)(i)
42 CFR 456.705(b),
(1)-(7))

2. Prospective DUR includes screening each prescription filled or delivered to an individual receiving benefits for potential drug therapy problems due to:

-Therapeutic duplication
-Drug-disease contraindications
-Drug-drug interactions
-Drug-interactions with non-prescription or over-the-counter drugs
-Incorrect drug dosage or duration of drug treatment
-Drug allergy interactions
-Clinical abuse/misuse

1927(g)(2)(A)(ii)
42 CFR 456.705 (c)
and (d)

3. Prospective DUR includes counseling for Medicaid recipients based on standards established by State law and maintenance : patient profiles.

1927(g)(2)(B)
42 CFR 456.709(a)

F.1. The DUR program includes retrospective DUR through its mechanized drug claims process and information retrieval system or other.. which undertakes ongoing periodic examinat. of claims data and other records to iden..,

-Patterns of fraud and abuse
-Gross overuse
-Inappropriate or medically unnecessary among physicians, pharmacists, Medica.. recipients, or associated with specific drugs or groups of drugs.

Revision: HCFA-PM-   (MB)

State/Territory: **Michigan**

Citation

927(g)(2)(C)
42 CFR 456.709(b)

F.2. The DUR program assesses data on drug use against explicit predetermined standards including but not limited to monitoring for:

-Therapeutic appropriateness
-Overutilization and underutilization
-Appropriate use of generic products
-Therapeutic duplication
-Drug-disease contraindications
-Drug-drug interactions
-Incorrect drug dosage/duration of drug treatment
-Clinical abuse/misuse

1927(g)(2)(D)
42 CFR 456.711

3. The DUR program through its State DUR Board, using data provided by the Board, provides for active and ongoing educational outreach programs to educate practitioners on common drug therapy problems to improve prescribing and dispensing practices.

1927(g)(3)(A)
42 CFR 456.716(a)

G.1. The DUR program has established a State DUR Board either:

   X   Directly, or
 ___ Under contract with a private organization

1927(g)(3)(B)
42 CFR 456.716
(A) AND (B)

2. The DUR Board membership includes health professionals (one-third licensed actively practicing pharmacists and one-third but no more than 51 percent licensed and actively practicing physicians) with knowledge and experience in one or more of the following:

- Clinically appropriate prescribing of covered outpatient drugs.
- Clinically appropriate dispensing and monitoring of covered outpatient drugs.
- Drug use review, evaluation and intervention.
- Medical quality assurance.

927(g)(3)(C)
42 CFR 456.716(d)

3. The activities of the DUR Board include:

- Retrospective DUR,
- Application of Standards as defined in section 1927(g)(2)(C), and
- Ongoing interventions for physicians and pharmacists targeted toward therapy problems or individuals identified in the course of retrospective DUR.

TN No. _93-028_
Supersedes _____ Approval Date _12/3/93_ Effective Date ___10-01-93___
TN No. __92-25__

Revision: HCFA-PM-   (MB)   OMB No.

State/Territory: <u>Michigan</u>

Citation

1927(g)(3)(C)
42 CFR 456.711
(a)-(d)

G.4   The interventions include in appropriate instances:

- Information dissemination
- Written, oral, and electronic reminders
- Face-to-Face discussions
- Intensified monitoring/review of prescribers/dispensers

1927(g)(3)(D)
42 CFR 456.712
(A) and (B)

H.   The State assures that it will prepare and submit an annual report to the Secretary, which incorporates a report from the State DUR Board, and that the State will adhere to the plans, steps, procedures as described in the report.

1927(h)(1)
42 CFR 456.722

I.1.   The State establishes, as its principal means of processing claims for covered outpatient drugs under this title, a point-of-sale electronic claims management system to perform on-line:

- real time eligibility verification
- claims data capture
- adjudication of claims
- assistance to pharmacists, etc. applying for and receiving payment.

1927(g)(2)(A)(i)
42 CFR 456.705(b)

2.   Prospective DUR is performed using an electronic point of sale drug claims processing system.

1927(j)(2)
42 CFR 456.703(c)

J.   Hospitals which dispense covered outpatient drugs are exempted from the drug utilization review requirements of this section when facilities use drug formulary systems and bill the Medicaid program no more than the hospital's purchasing cost for such covered outpatient drugs.

TN No. <u>93-028</u>
Supersedes   Approval Date <u>12/3/93</u>   Effective Date <u>10-01-93</u>
TN No. <u>N/A</u>